



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

DATE: March 30, 2004
POLICY NO: FD-026: Nutrition Services Incentive Program
SUBJECT: Fiscal Year 2005 Operations

ACTION: By **May 3, 2004**, State Distributing Agencies must submit their Cash/Commodity Elections for the 2005 Program Year to the Food Distribution Division (FDD), Schools and Institutions Branch. You may email responses directly to Shirley.Roberts@fns.usda.gov.

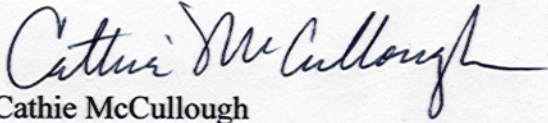
States Electing to Receive Commodities

- States and Tribes are eligible to receive both traditional Group A and Group B entitlement and bonus commodities.
- No changes in the commodity elections will be allowed after February 1, 2005.
- Food Distribution Division (FDD) will monitor commodity entitlement throughout the year and work directly with State Distributing Agencies on any issues related to entitlement levels and ordering options.
- In April 2005, FDD will begin the process to reconcile the commodity entitlement. FDD will contact State Distributing Agencies to discuss options to utilize any remaining entitlement balance. States and Tribes are strongly encouraged to use their entitlement by the end of the third quarter.
- In July 2005, FDD will inform the AoA of States and Tribes that will not use their remaining entitlement by September 30, 2005. USDA will return these funds to AoA. AoA will return the funds to the appropriate State or Tribe as cash prior to the end of the fiscal year.

Area Agencies on Aging (AAA) Election Projects

This option encourages the use of commodities and allows flexibility to those States that have annually accepted their NSIP reimbursement in cash. The State Distributing Agency and the State Office on Aging must concur. These programs determine their own cash/commodity election, independent of the State decision.

If you have any questions or need assistance, please contact Shirley Roberts at (703) 305-2560 or by email at Shirley.Roberts@fns.usda.gov.

A handwritten signature in cursive script, reading "Cathie McCullough". The signature is written in dark ink and is positioned above the printed name.

Cathie McCullough

Director

Food Distribution Division